

Members of the Committee,

My name is Lorents Grosfield. I'm a cattle rancher, mineral owner and mineral lessor from Sweet Grass County.

I believe that SB 86, a bill requiring notice of fracturing information in oil and gas operations, will have a chilling effect on the oil and gas industry in Montana.

Fracturing, or "fracking" is a technology that significantly enhances recovery of oil and gas (and even water) in tight rock formations. It is used in tens of thousands of wells annually, and in fact one source states it has been used in over 1 million wells since it began being used in the late 1940s. Numerous state regulatory officials have recently confirmed that they are not aware of any confirmed instances of contamination of drinking water sources due to hydraulic fracturing in their states. The US EPA concluded in a recent study (2004) that the process was safe and didn't warrant further study because there was no unequivocal evidence of health risks and because they determined that the fluids used were neither necessarily hazardous nor able to travel far underground. In addition, it is my understanding that the industry is trending towards the use of totally benign chemicals in its fracking operations, and that most of the larger companies use these kinds of fluids exclusively. In other words, SB 86 may well be a solution in search of a problem.

Setting up a fracking operation involves expensive transportation of all the heavy equipment involved, often from out of state, and generally involving companies on tight schedules. It is my understanding that some of the larger companies are not opposed to providing fracking fluid information after the fracking operation is complete, but resist the kind of advanced notice that SB 86 would require because of fears it will be used by some to delay or stop operations. All it will take will be one instance of a protest filed with the Oil and Gas Commission or a District Court that results in a delay of the operation (and thereby significant cost to the operator and to the producer) based on someone's fear that somehow the fracking operation will negatively impact that person or some aspect of the environment or something else. Fracking contractors would then be hesitant to agree to come to Montana, as they will expect that the notice requirement will lead to protests aimed at stopping the operation. Montana already has a reputation of this kind of action in the natural resource arena. I believe that this bill as written would exacerbate that reputation.

If this is not the purpose of the bill, and the committee is inclined to pass this bill in some form with the notice provision intact, I would urge you to specifically prohibit the use of any advanced notice provided for purposes of delaying or stopping the fracking operation. Not to do so will negatively affect economic development as well as the recovery and conservation of oil and gas in Montana. The EPA believes there's no problem. To my knowledge, no problem has surfaced before the Montana Oil and Gas Commission. Montana already has significant environmental protections in place regarding oil and gas exploration and production through the laws and rules administered by the Oil and Gas Commission. This bill and its negative effects are not needed.